

n/037/05

ATLAS CORPORATION
FACSIMILE INFORMATION SHEET

FROM: ATLAS CORPORATION
370 17TH STREET, SUITE 3150
DENVER, COLORADO 80202-5631

(303) 825-1200

(FAX) (303) 892-8808

TO: UTAH Div of Oil Gas + Mining

Fax Number: 801/359-3940

Attn: Mr. Holland. Shepherd

of Pages 7 Including this page.

From: Mc R E Blubaugh

REF:

Date: 6/23/92

call back as soon as possible
if all pages are not received.

MESSAGE:

Norman H. Bangert
GovernorDee C. Hansen
Executive DirectorDianne R. Nelson, Ph.D.
Division Secretary

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

RECEIVED

JUN 28 1988

Regulatory Affairs

June 21, 1988

Mr. Richard Blubaugh
Regulatory Affairs Manager
743 Horizon Court, Suite 202
Grand Junction, Colorado 81506

Richard
Dear Mr. Blubaugh:

Re: Site Status of the M/037/008 - Locust Spider Mine, and M/037/011 -
Standard #2 Mine, San Juan County, Utah

On June 3, 1988, two Division employees, Holland Shepherd and Frank Filas, inspected the Locust-Spider mine site. They indicated to me that the work done at the site looks good. Mr. Shepherd has advised me that the site has been reclaimed to the Division's satisfaction. We will make the recommendation to the Board of Oil, Gas and Mining that Atlas Minerals be released from any further obligation concerning this site. I will contact you as soon as this has been accomplished.

On June 2, 1988, the preceding day, Messrs. Shepherd and Filas visited the Standard #2 mine site. Mr. Shepherd has informed me that the reclamation on the upper portion of the site, which includes the portals and the access road, looks satisfactory. The Division will require no further reclamation work on this portion of the site. Also, no further work will be required for the waste pile. Mr. Shepherd has informed me that the steepness of the area presents too large a barrier to further reclamation efforts. He also indicated that some plant establishment has started on the waste pile that will eventually expand and help to stabilize it.

The lower portion of the site, as you know, now needs to be graded, ripped, and seeded, taking into account the drainage patterns crossing the area to be disturbed. It will be a great help in reclaiming this area having had the low grade ore pile removed.

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Mr. Richard Blubaugh
M/037/008 and M/037/011
June 21, 1988

Your reclamation efforts at these sites is appreciated. Please contact me or Holland Shepherd if you have any comments or questions.

Sincerely,



Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

HS/clj
cc: H. Shepherd
1398R/43

SURETY AGREEMENT

THIS AGREEMENT, made and entered into this 31st day of May, 1979, between Atlas Corporation, a Delaware corporation (hereinafter called the "Operator"), and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah (hereinafter called the "Board").

W I T N E S S E T H:

WHEREAS, the Operator is the owner and in possession of that certain uranium processing mill and associated tailings disposal area in Moab, Grand County, State of Utah (hereinafter called the "Mill").

WHEREAS, on April 23, 1979, the United States Nuclear Regulatory Commission approved the Operator's application for renewal of Source Material License SUA-917 (hereinafter called the "License") as of April 30, 1979, for operation of the Mill; and

WHEREAS, the Operator is able and willing to conduct decommissioning and reclamation operations at the Mill in accordance with the requirements specified in the License; and

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of

the decommissioning and reclamation activities planned for the Mill.

NOW, THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties agree as follows:

1. The Operator agrees to conduct decommissioning and reclamation activities at the Mill in accordance with the conditions of the License which are in effect at the time of the commencement of such activities.

2. If the Operator fails to commence decommissioning and reclamation activities at the Mill in accordance with the requirements specified in the License within TWO (2) years after the tailings area has reached sufficient dryness to allow such activities to commence, the Operator shall pay to the Board the total cost of such decommissioning and reclamation activities as determined in accordance with the provisions of paragraph 3 of this Agreement, reduced by the cost of any decommissioning or reclamation of the Mill already performed as required by the License in accordance with the provisions of paragraph 4 of this Agreement. Said sum shall be used by the Board to complete decommissioning and reclamation activities at the Mill in accordance with the requirements specified in the License.

3. If the Operator fails to commence the decommissioning and reclamation activities required by the License at the Mill within the time specified in paragraph 2 of this Agreement, the Board shall determine the cost of such reclamation and decommissioning based on the conditions for reclamation and decommissioning specified in the License which are in effect at the time the determination is made. Such determination by the Board shall be preceded by notice and public hearing in order to allow the participation of interested parties.

4. If the Operator completes any decommissioning or reclamation work at the Mill which is required to be performed pursuant to the License, the total amount specified in paragraph 2 of this Agreement shall be reduced by the cost of such work as indicated by an accounting of costs for the work supplied to the Board by the Operator. Any such reduction shall be evidenced by an amendment to this Agreement executed by the parties hereto and approved by the Board. If any of said work is completed before the cessation of permanent operations at the Mill, allowance shall be made for inflation of the cost of said work from the time that said work was performed to the cessation of such operations.

IN WITNESS WHEREOF, the parties hereto have respectively
set their hands and seals this 31st day of May, 1979.

ATTEST:

ATLAS CORPORATION

Shelia D. Busby
Secretary

By A. E. Deard

SEAL

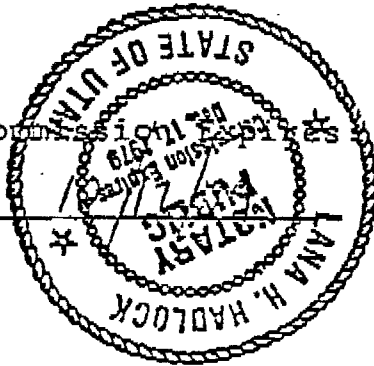
BOARD OF OIL, GAS, AND MINING

By John L. Bell

STATE OF)
COUNTY OF) ss.

On the 24th day of May, 1979, A.D., personally appeared before me A.E. Dearth, who being by me duly sworn did say that he is the Vice President of Atlas Corporation, and that said instrument was signed in behalf of said corporation by authority of its bylaws, and said A.E. Dearth acknowledged to me that said corporation executed the same.

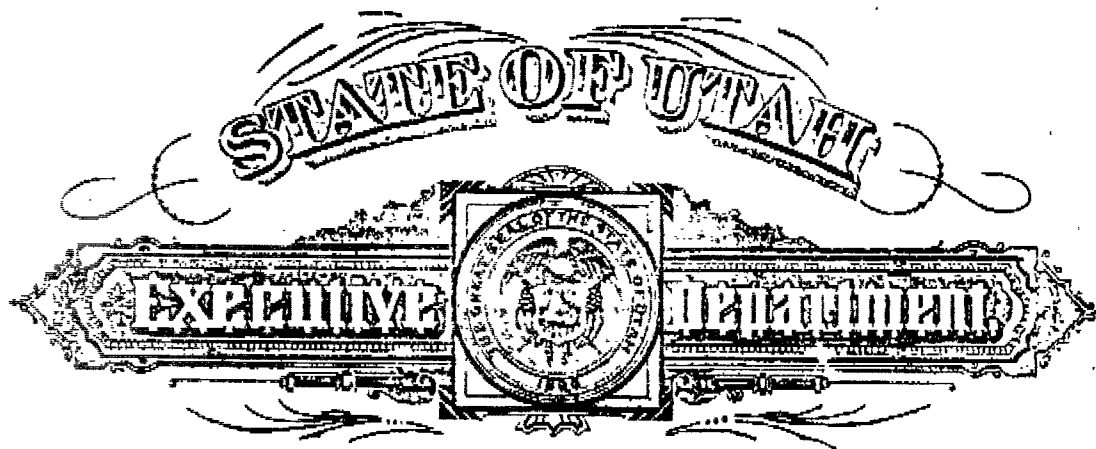
My Comm. Expires



Lana Hadlock
NOTARY PUBLIC
Residing At: S.L.C.

Thalia R. Busby, Secretary of the Board of Oil, Gas, and Mining of the State of Utah, hereby certifies that the foregoing Surety Agreement was approved by the Board on the 24th day of May, 1979, in Cause No. ACT/019/003

Thalia R. Busby



E X E C U T I V E O R D E R

WHEREAS, in Source Material License No. SUA-917 issued to Atlas Corporation, effective April 30, 1979, the United States Nuclear Regulatory Commission has delegated to the State of Utah the responsibility to approve a surety arrangement covering the obligation of Atlas Corporation to reclaim its mill and associated tailings at Moab, Utah, following the permanent cessation of operations at the mill; and

WHEREAS, as Governor of the State of Utah, I am authorized by Section 26-25-4, Utah Code Annotated, 1953, to accept such delegation of responsibility on behalf of the State of Utah;

NOW, THEREFORE, I, Scott M. Matheson, Governor of the State of Utah, by virtue of the authority granted to me as Chief Executive Officer of the State, and under the authority contained in Section 26-25-4, Utah Code Annotated, 1953, do hereby accept on behalf of the State of Utah the delegation of responsibility from the United States to the State of Utah in Source Material License No. SUA-917 to approve a surety arrangement covering reclamation of the Atlas Corporation uranium mill and associated tailings at Moab, Utah, and do hereby designate the Board of Oil, Gas and Mining to consider for approval such surety or other arrangement.



IN WITNESS WHEREOF, I have
set my hand and caused to be
affixed the Great Seal of the
State of Utah. Done at the
State Capitol in Salt Lake
City, Utah, this 15th
day of May, 1979.

GOVERNOR

ATTEST:

David S. Johnson
SECRETARY OF STATE